

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol Building
Denver, Colorado 80203-1792
Phone: (303) 866-2471



Bill Ritter Jr.
Governor

May 15, 2008

Representative Bernie Buescher
Joint Budget Committee
200 East 14th Avenue, 3rd Floor
Denver, CO 80203

Representative Buescher:

On April 30, 2008, I received your letter requesting information from the departments. Since the receipt of your letter, I have requested the departments evaluate each request for information to determine which requests could be reasonably completed. To the extent that the information can be compiled without jeopardizing the operation of the executive branch or the delivery of governmental services, I am directing the departments to provide the information requested by the Joint Budget Committee. However, below are twenty-six requests for which I am providing additional direction for compliance for various reasons.

REQUESTS FOR INFORMATION

- 1. Request for Information 1, page 2: All Departments, Totals** — Every department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2008-09. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comply to the extent feasible. Due to the substantial resources and other Department priorities, I am directing the Departments to comply to the extent to which this information can be provided without adversely impacting the operation of the executive branch or the delivery of government services, by November 1, 2008.

- 2. Request for Information 4, page 3-4: Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Human Resource Services** — The Department shall comply with the statutory provisions of Section 24-50-110 (1)(d), C.R.S., and is

requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2008. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2007-08. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

Comply to the extent feasible. Due to the substantial amount of resources necessary to comply with this request that may result in other work not being completed, I am directing the Departments to comply to the extent feasible no later than November 3, 2008.

- 3. Request for Information 5, page 3: Department of Corrections, Totals; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division, and Division of Youth Corrections; Department of Public Safety, Division of Criminal Justice** — It is the intent of the Joint Budget Committee that the impacts of the Governor's Recidivism Reduction and Offender Diversion Package funded by the General Assembly in 2007, be analyzed using contract funding appropriated for this purpose to the Department of Public Safety, Division of Criminal Justice. The evaluation should specifically address: the Shortterm Intensive Residential Remediation Treatment Program (STIRRT) in the Department of Human Services, Diversion Community Corrections Beds in the Department of Public Safety, Mental Health Beds in the Department of Public Safety, and any new programs or services created or implemented through additional budgetary flexibility provided to the Division of Youth Corrections in the Department of Human Services. It is the intent of the General Assembly that the contractor compare the outcomes for offenders who participate in these programs with outcomes for offenders in predetermined control groups. The Department of Public Safety, Division of Criminal Justice, in conjunction with other state departments, is requested to submit an annual progress report to the Joint Budget Committee by November 1 of each year. This report is requested to include a summary of the number of offenders served by each program and a summary of the program evaluation techniques that will be used to examine the effectiveness of each program. The Department of Public Safety, Division of Criminal Justice, is requested to submit a final report to the Joint Budget Committee on or before November 1, 2012. The final report should specifically address whether any of the interventions funded were cost-effective and, based on this, recommendations for continuation, modification or elimination of each program.

Comply to the extent feasible. Recidivism reduction is a priority for the executive branch. As a result the provision of the information requested above, the executive branch will aggressively monitor the impacts of program changes and flexibility and am directing the Departments to provide the November 3, 2008 report as requested. However, due to the complex reporting requirements in this request, I am directing the departments to comply to the extent feasible.

4. **Request for Information 6, page 3-4: Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities** — The Departments are requested to develop a plan with respect to how the State will limit any inappropriate proliferation of intermediate care facilities for the mentally retarded (ICFs/MR) in the community and how it will manage any growth in the number of such facilities to ensure that state and federal funding for persons with developmental disabilities is used efficiently. The Departments are requested to submit such a plan, including any recommendations for statutory changes, by October 1, 2008.

Comply to the extent feasible. The conversion of the Regional Centers to the ICF/MR structure is complex due to the involvement of multiple departments, consideration of the impact of the use of funds for persons with developmental disabilities, and input from stake holders. Therefore, I am directing the Departments to comply with the request for information to the extent feasible and am directing that they submit the report no later than December 1, 2008.

5. **Request for Information 7, page 4: Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners** — The Department of Corrections is requested to require private prison providers to break-out their respective operating expenses and capital construction costs in the invoices that they submit to the Department for housing Colorado inmates. The Department of Corrections is further requested to submit a report to the Joint Budget Committee by November 1, 2008, summarizing this information for each of the private prison providers reimbursed from the External Capacity Subprogram.

Comply to the extent feasible. Private prison providers are private contractors, neither the Department nor the State have control over the availability of the requested financial information or the timing with which these contractors provide information that may be requested. Because the Department does not control this information, it cannot assure full compliance with this request for information. I am, however, directing the Department to comply with this request for information to the extent that the information is available from the provide prison providers.

6. **Request for Information 16, page 5: Governor - Lieutenant Governor - State Planning and Budgeting, Governor's Energy Office** — Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in

implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state. The Department is requested to submit a report by September 1, 2008 to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, by year, to advance energy efficiency and renewable energy throughout the state.

Comply to the extent feasible. Due to the substantial resources necessary to compile the information and other Department priorities, I am directing the Department to comply to the extent feasible and submit the report as close to September 1, 2008 as possible, but no later than November 3, 2008.

7. **Request for Information 17, page 6: Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting** — The Department is requested to submit a report related to the Government Efficiency Management (GEM) Study by July 1, 2008 to the Joint Budget Committee. At a minimum, the report should be provided electronically and should include a narrative overview explaining how the moneys appropriated have been applied to harness greater governmental efficiency and cost-avoidance. The report should itemize how the moneys appropriated have been implemented, by fiscal year, by applicable department or departments if there are multiple-agency initiatives, to identify ways to improve customer service, eliminate unnecessary or redundant services, and implement innovative ways to deliver essential services. The report should also include all budget change requests submitted to the General Assembly related to the GEM Study and aggregated into a single spreadsheet, by fiscal year, by Department, by fund source, including FTE.

Comply to the extent feasible. Reporting of findings related to the Government Efficiency Management Study are ongoing. A substantial amount of information will be made available in or around July 2008. I am directing the Department to submit the report no later than August 1, 2008.

8. **Request for Information 18, page 6: Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation Program** — The Department is requested to submit a report by September 1, 2008 to the Joint Budget Committee. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding calendar year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.

Comply to the extent feasible. The Governor's Office of Economic Development and International Trade currently provides a report containing the requested information to the Office of Technology Transfer. I am directing the Department to submit the report as close to September 1, 2008 as possible, but no later than November 3, 2008 to the Joint Budget Committee.

- 9. Request for Information 21, page 7: Department of Health Care Policy and Financing, Medical Services Premiums** — The Department is requested to provide a report to the Joint Budget Committee by August 1, 2008 on the status of the rules adopted by the Medical Services Board regarding all changes to reimbursement rates that have been enacted for FY 2008-09.

Comply to the extent feasible. The Medical Services Board is not required to approve changes to all provider reimbursement rates. However, I am directing the Department to provide information concerning the implementation of rate increases no later than November 3, 2008.

- 10. Request for Information 22, page 7: Department of Health Care Policy and Financing, Medical Services Premiums** — The Department is requested to submit a report to the Joint Budget Committee on January 2, 2009 regarding potential savings to the Medical Services Premiums line item based on implementing the Deficit Reduction Act of 2005 average manufacture price upper payment limits for pharmacy reimbursement.

Comply to the extent feasible. The Deficit Reduction Act rules are under an injunction, and as a result the Department may not have any new information to report concerning potential savings to the Medical Services Premiums line item specifically related to pharmacy reimbursement. However, if additional savings are identified they will be submitted as part of the FY 2009-10 Budget Request on November 3, 2008.

- 11. Request for Information 26, page 7: Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments** — The Department is requested to provide recommendations to the Joint Budget Committee by November 1, 2008 on whether greater budget accuracy would be achieved if caseload and capitation payments were estimated and tracked for each Regional Behavioral Center. In developing their recommendations, the Department will note any additional administrative costs associated with changing systems to track caseload data in this manner and to compile and report on the data.

Do not comply. I am directing the Department not to comply with this request for information for three reasons. First, the Medicaid mental health budget was transferred to the department in FY 2005-06 with the passage of House Bill 04 - 1265. Second, the executive maintains the flexibility to adapt budgeting methodology as it best sees fit to ensure accuracy as needed. Finally the department has an impending request for proposal to re-procure the delivery of

mental health services. Responses to the request are to be based on the current methodology for caseload and rates which would be invalidated if changes to the methodology occur.

- 12. Request for Information 30, page 8: Department of Higher Education, Colorado Commission on Higher Education, Administration** — The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by November 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.

Comply to the extent feasible. In order to obtain complete financial aid records, data is collected after the summer semester awards have been made. Public institutions must submit their financial aid files on September 13th of each year and private and proprietary institutions must submit their data on October 1st of each year. Due to the Department's review process and the need for data to be resubmitted, I am directing the Department to submit this report by January 1, 2009.

- 13. Request for Information 31, page 8: Department of Higher Education, Colorado Commission on Higher Education, Administration** — The Department is requested to submit a report to the Joint Budget Committee by November 1 each year documenting the base level of institutional financial aid at each institution and demonstrating that at least 20 percent of any increase in undergraduate resident tuition revenues in excess of inflation is being devoted to need-based financial assistance pursuant to Section 23-18-202 (3) (c), C.R.S.

Comply to the extent feasible. In order to obtain complete financial aid records, data is collected after the summer semester awards have been made. Public institutions must submit their financial aid files on September 13th of each year and private and proprietary institutions must submit their data on October 1st of each year. Due to the Department's review process and the need for data to be resubmitted, I am directing the Department to submit this report by January 1, 2009.

- 14. Request for Information 32, page 8: Department of Higher Education, Colorado Commission on Higher Education, Administration** — The Department is requested to submit a report to the House and Senate Education Committees and the Joint Budget

Committee by November 1, 2008, analyzing the impact of need based financial aid programs on the recruitment, retention, and academic performance of under-served students, and making recommendations for improvement.

Comply to the extent feasible. In order to obtain complete financial aid records, data is collected after the summer semester awards have been made. Public institutions must submit their financial aid files on September 13th of each year and private and proprietary institutions must submit their data on October 1st of each year. Due to the Department's review process and the need for data to be resubmitted, I am directing the department to submit this report by January 1, 2009.

- 15. Request for Information 34, page 9: Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System (CBMS)** — The Department is requested submit a summary of change request activity related to the Colorado Benefits Management System to the Joint Budget Committee on or before November 1, 2008. This summary should include the number of requests completed, the number in progress, and the number that have been submitted but not yet started. Change requests requiring the expenditure of more than fifty thousand dollars (\$50,000) should be described in detail.

Comply to the extent feasible. Due to the volume of requests that potentially meet the reporting criteria requested and other department priorities, I am directing the Department to comply to the extent feasible.

- 16. Request for Information 35, page 9: Department of Human Services, Office of Operations; Department Totals** — The Department is requested to examine its cost allocation methodology and report its findings to demonstrate that all state--wide and departmental indirect costs are appropriately collected and applied. The Department is requested to submit a report to the Joint Budget Committee on or before November 15, 2008, that should include: (1) Prior year actual indirect costs allocated by division and corresponding earned revenues by type (cash, reappropriated, and federal); (2) the amount of such indirect costs applied within each division and to Department administration line items in the Executive Director's Office, Office of Operations, and Office of Information Technology Services; (3) a comparison between indirect amounts applied and the amounts budgeted in the Long Bill; and (4) a schedule identifying areas in which collections could potentially be increased and a description of the obstacles to such increases where the discrepancy between the potential and actual collections is \$50,000 or more.

Comply to the extent feasible. Due to the substantial resources necessary to compile the information, complexities related to federal information, and other department priorities, I am directing the Department to comply to the extent feasible.

- 17. Request for Information 39, page 9: Department of Human Services, Division of Child Care, Child Care Assistance Program** — The Department is requested to submit a report to the Joint Budget Committee by October 1, 2008 concerning the Child Care Assistance Program. The report is requested to address whether the Department, after consultation with counties and other interested parties, would recommend that eligibility for this program and/or provider reimbursement rates be set by the State. This recommendation could include eligibility/ reimbursement rates that vary by region (metro, rural, mountain resort), even if they were set by the state. The Department is requested to include in the report: (1) an analysis of the programmatic and fiscal implications of such a change on program participants, providers, counties and state government; (2) how any recommended changes might be phased-in; and (3) what statutory modifications would be required. The report is requested to take into account the results of the State Auditor's Office audit of the Child Care Assistance Program required pursuant to H.B. 07-1062.

Comply to the extent feasible. The October 1, 2008 date is not feasible for the Department because it would not allow the Department to consider the findings of the State Auditor's audit of the Child Care Assistance Program, pursuant to House Bill 07-1062, as requested. The State Auditor's report is currently scheduled to be presented to the Legislative Audit Committee on December 30, 2008. As a result, I am directing the Department to provide this information to as requested by February 1, 2009.

- 18. Request for Information 40, page 10: Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs** — The Department is requested to provide a report to the Joint Budget Committee by October 1, 2008, concerning its plans for distributing this funding for new caseload and for ensuring that new placements are brought on-line as quickly as possible. It is the intent of the Joint Budget Committee that, in distributing funding to expand caseload, the Department take into consideration, among other factors, the need to reduce regional inequities in the numbers of persons served per capita of the general population.

Comply to the extent feasible. The Department is currently working on a plan for the distribution of the substantial number of new developmental disabilities community resources appropriated in FY 2008-09 and I am directing the Department to provide a report. However, the requested report exceeds the parameters of a request for information in its request for the plan to address regional inequities as related to the number of persons served per capita of the general population. This will require considerable planning, for which Department resources are not available. To this end, I am directing the Department to comply to the extent feasible.

- 19. Request for Information 41, page 10: Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities** — The Department is requested to submit a proposal by November 1, 2008,

concerning any plans for conversion of Grand Junction Regional Center and Pueblo Regional Center to an ICF/MR billing structure.

Comply with modifications. I am directing the Department to include information concerning the conversion of the Grand Junction Regional Center and Pueblo Regional Center to an ICF/MR billing structure as part of the Department's FY 2009-10 November 3, 2008, Budget Request, as necessary.

- 20. Request for Information 48, page 12: Department of Human Services, Totals** — The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for state fiscal years 2007-08, 2008-09, 2009-10 (the actual, estimate, and request years): (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds.

Comply with modifications. This request is for an annual report concerning the Child Care Development funds; as such I am directing the Department to comply with the submission of the November 3, 2008 report.

- 21. Request for Information 50, page 12: Department of Natural Resources, Executive Director's Office** – The Department of Natural Resources has committee resource and FTE to examining energy impacts on the Eastern Plains and throughout Colorado. The Joint Budget Committee is requesting a report from the Department of Natural Resources by November 1, 2008, explaining the impact on native ecosystems, prairie wildlife, and the impact on rural lifestyle, including farming and ranching.

Comply to the extent feasible. I am directing the Department to comply to the extent feasible with this request for information. Full compliance with this request would require a significant dedication of additional staff and fund that would potentially adversely impact the operation of the executive branch or the delivery of government services.

- 22. Request for Information 53, page 13: Capital Construction, Department of Natural Resources, Division of Wildlife** — It is the intent of the Joint Budget Committee that the Division better inform members of the General Assembly regarding the purchase of property and easements. As soon as the Division starts to consider a property acquisition or easement in a given county, the Division is directed to contact all members of the General Assembly who represent any portion of the county where the proposed

acquisition or easement is to occur. Such notification shall include the specific location of the property or easement to be acquired, the mechanism for funding the proposal and the justification for seeking the acquisition or easement.

Comply to the extent feasible. This request for information has been in the Capitol Construction section of the Long Bill for several years. The Department generally complies with the request, however, it should be noted that this does not meet the parameters of a request for information as defined in House Bill 08-1321. As written this request is presented as a directive to the Department. However, since the Department is able to comply to an extent, I am directing the Department to comply with the request to the extent feasible.

- 23. Request for Information 54, page 13: Capital Construction, Department of Natural Resources, Division of Wildlife** — It is the intent of the Joint Budget Committee that the Division better inform members of the General Assembly regarding the purchase of property and easements. As soon as the Division starts to consider a property acquisition or easement in a given county, the Division is directed to contact all members of the General Assembly who represent any portion of the county where the proposed acquisition or easement is to occur. Such notification shall include the specific location of the property or easement to be acquired, the mechanism for funding the proposal and the justification for seeking the acquisition or easement.

This is a duplicate to Request for Information #53. The same response applies.

- 24. Request for Information 61, page 15: Department of Public Safety, Colorado State Patrol** — The Department is requested to submit to the Joint Budget Committee a detailed summary of FTE assigned to the field and to special programs on an annual basis beginning on November 1, 2006. Each annual report should include comparative information about the historical assignment of all uniformed positions, vacant positions, State Patrol Academy graduates, employee turnover (including service and disability retirements), and trooper deployment.

Comply with modifications. This request for information is for an annual report associated with the Department's special programs; as such I am directing the Department to comply with the submission of the November 3, 2008 report.

- 25. Request for Information 63, page 15: Department of Public Safety, Totals** — The Department is requested to submit to the Joint Budget Committee a detailed report on the Department's use of HUTF funds, by division and program, on an annual basis beginning on November 1, 2008. Each annual report should include the amount of HUTF spent and the FTE employed for each program in the prior fiscal year, including detail on Colorado State Patrol FTE performing work for other Divisions.

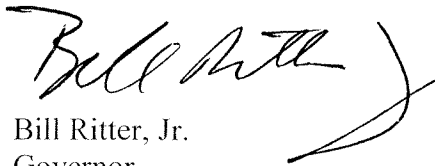
Comply with modifications. This request for information is for an annual report associated with department use of the Highway Users Trust Fund, as such I am directing the Departments to only comply with the submission of the November 3,

2008 report. Also in effort to better coordinate this information, I am directing the Office of State Planning and Budgeting to compile the report with assistance and information from the Departments of Public Safety, Transportation, and Revenue.

26. Request for Information 65, page 15: Department of Transportation, Administration — The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow calculation of personal services appropriations. PERA and Medicare should also be provided by the individual section or office. Additionally, the Department should include subtotals for salary and FTE for each of the offices within the Administration line item information currently supplied.

Comply with modifications. I am directing the Department to comply with the Office of State Planning and Budgeting FY 2009-10 budget instructions when submitting its FY 2009-10 budget request on November 1, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Ritter", followed by a large, sweeping flourish that extends to the right.

Bill Ritter, Jr.
Governor

cc:

Executive Agency Directors
Todd Saliman, Office of State Planning and Budgeting
Representative Jack Pommer, Joint Budget Committee
Representative Al White, Joint Budget Committee
Senator Steve Johnson, Joint Budget Committee
Senator Moe Keller, Joint Budget Committee
Senator John Morse, Joint Budget Committee
John Ziegler, Joint Budget Committee Staff Director